REGISTERED NUMBER: 01789282 (England and Wales)

RICHARDSON MILLING (UK) LIMITED

STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2018

GMP Audit Limited
82 High Street
Tenterden
Kent
TN30 6JG

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2018

DIRECTORS:	Mr A Brand Mr C R Vossen Mr D G Sobkow Mr R D Jordan
SECRETARY:	Mr C M Smith
REGISTERED OFFICE:	Mile Road Bedford Bedfordshire MK42 9TB
REGISTERED NUMBER:	01789282 (England and Wales)
AUDITORS:	GMP Audit Limited 82 High Street Tenterden Kent TN30 6JG

The directors present their strategic report for the period 1 January 2018 - 31 December 2018.

REVIEW OF BUSINESS

Principal activities

The principal activity of the business is the manufacturing of cereal based ingredients which takes place in Bedfordshire in the United Kingdom. Ingredients are produced and sold globally to customers using it to add value to their recipes.

Business model and Strategy

The company buy raw material mainly from British sources and add value through milling, flaking, extruded and other technologies and then sell it to customers in the food, beverage and animal feed industries. The business benefits from vast intellectual property and expertise gained from the structures available through its reporting lines into our shareholder. The business operates in a matrix structure and all departments have access to knowledge and resources based in North America.

Business Review

The directors and shareholders are satisfied that the company performed in line with expectations during the fiscal year. The Board of Directors were informed of the progress of the UK entity through weekly reports and formal Board Meetings. The Board of Directors monitor all areas of the business through a set of key performance areas (KPI's) and the company benefits from our shareholder's risk management protocol.

The business invested substantial capital through the year to increase capacity and to improve the business in line with our shareholder's vision to be fully invested.

The business environment during the last two quarters of the year was extremely challenging, mainly due to the small grain crop that was also of poor quality. This was caused by the extreme warm weather in the UK during the summer months.

Both the internal and external environment in which the company operates are influenced by weather patterns and the global supply and demand forces in both the financial markets in general but also the trading of commodities.

PRINCIPAL RISKS, UNCERTAINTIES AND TRENDS

The company processes grains such as oats, wheat and barley which are volatile in terms of quantity and quality, both influence availability of supply and prices. We are dependent on crop availability and as part of the agricultural cycle have a short available reaction time to address supply and demand dynamics. There is currently substantial uncertainty within the Agricultural sector due to a lack of detail on how subsidies on farms will look ex-Brexit. We are managing and mitigating risk by working closely with our suppliers and the full supply chain. Brexit uncertainty can also impact our labour force. Availability of staff with appropriate skills will continue to be very import to the business and we focus on this aspect through ensuring our staff are paid well, rewarded, cared for, and properly trained and motivated. Brexit may further impact on future exports due to different trade agreements potentially coming into force.

The business is committed to providing a safe and healthy environment for all staff and continues to invest in training, maintenance and capital replacement to ensure our standards exceed compliance requirements and industry standards. We will also continue to upgrade our facilities through investment with the focus on safety of staff, food safety and efficiency.

Risk in terms of human capital is mitigated through working in a collaborative matrix method with colleagues in similar functional areas in North America.

Our company is not only fully compliant with anti-slavery, anti-corruption and anti-bribery legislation, but will continue to take any known steps possible to ensure our staff are trained and informed about the importance of ensuring our own practices are ethical and legal.

Financial Risk is monitored through strict KPI's on working capital (stock, debtors and creditors), cash flow and general cost control.

The business continues to be a responsible citizen. Every effort is made to manage the environmental impact of our supply chain and our operational activities.

ON BEHALF OF THE BOARD:

Mr A Brand - Director

14th May 2019

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2018

The directors present their report with the financial statements of the company for the year ended 31st December 2018.

The company's previous year end had been extended by two months to be coterminous with its parent.
As a consequence the comparatives, which are for a fourteen month period, are not entirely comparable.
The financial statements are presented in Sterling (£).

DIVIDENDS
No dividends will be distributed for the year ended 31st December 2018.

FUTURE DEVELOPMENTS
Information can be found in the strategic report.

DIRECTORS
The directors shown below have held office during the whole of the period from 1st January 2018 to the date of this report.

Mr A Brand
Mr C R Vossen
Mr D G Sobkow
Mr R D Jordan

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

Mr C M Smith - Secretary

14th May 2019

Opinion
We have audited the financial statements of Richardson Milling (UK) Limited (the 'company') for the year ended 31st December 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31st December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Samantha Whiting FCA (Senior Statutory Auditor)
for and on behalf of GMP Audit Limited
82 High Street
Tenterden
Kent
TN30 6JG

14th May 2019

RICHARDSON MILLING (UK) LIMITED (REGISTERED NUMBER: 01789282)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Notes	Year Ended 31/12/18 £	*Period 1/11/16 to 31/12/17 £*
TURNOVER	3	**49,686,295**	*53,854,941*
Cost of sales		**44,811,497**	*49,406,571*
GROSS PROFIT		**4,874,798**	*4,448,370*
Administrative expenses		**2,704,915**	*3,948,375*
		2,169,883	*499,995*
Other operating income		**32,254**	*41,241*
OPERATING PROFIT	5	**2,202,137**	*541,236*
Interest payable and similar expenses	6	**78,474**	*113,452*
PROFIT BEFORE TAXATION		**2,123,663**	*427,784*
Tax on profit	7	**339,234**	*(94,213)*
PROFIT FOR THE FINANCIAL YEAR		**1,784,429**	*521,997*
OTHER COMPREHENSIVE INCOME		**-**	*-*
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,784,429**	*521,997*

The notes form part of these financial statements

RICHARDSON MILLING (UK) LIMITED (REGISTERED NUMBER: 01789282)

BALANCE SHEET
31ST DECEMBER 2018

	Notes	2018 £	2018 £	2017 £	2017 £
FIXED ASSETS					
Tangible assets	8		**17,422,759**		*16,535,422*
CURRENT ASSETS					
Stocks	9	**3,356,763**		*1,626,274*	
Debtors	10	**10,689,848**		*8,797,404*	
Cash at bank and in hand		**837,299**		*858,462*	
		14,883,910		*11,282,140*	
CREDITORS					
Amounts falling due within one year	11	**13,394,170**		*10,671,252*	
NET CURRENT ASSETS			**1,489,740**		*610,888*
TOTAL ASSETS LESS CURRENT LIABILITIES			**18,912,499**		*17,146,310*
PROVISIONS FOR LIABILITIES	15		**745,391**		*763,631*
NET ASSETS			**18,167,108**		*16,382,679*
CAPITAL AND RESERVES					
Called up share capital	16		**8,684,415**		*8,684,415*
Share premium	17		**1,401,799**		*1,401,799*
Capital redemption reserve	17		**686**		*686*
Retained earnings	17		**8,080,208**		*6,295,779*
SHAREHOLDERS' FUNDS			**18,167,108**		*16,382,679*

The financial statements were authorised for issue by the Board of Directors on 14th May 2019 and were signed on its behalf by:

Mr A Brand - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1st November 2016	915	5,773,782	1,401,799	686	7,177,182
Changes in equity					
Issue of share capital	8,683,500	-	-	-	8,683,500
Total comprehensive income	-	521,997	-	-	521,997
Balance at 31st December 2017	8,684,415	6,295,779	1,401,799	686	16,382,679
Changes in equity					
Total comprehensive income	-	1,784,429	-	-	1,784,429
Balance at 31st December 2018	8,684,415	8,080,208	1,401,799	686	18,167,108

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Notes	Year Ended 31/12/18 £	Period 1/11/16 to 31/12/17 £
Cash flows from operating activities			
Cash generated from operations	1	**1,752,178**	*664,556*
Interest paid		**(78,474)**	*(386,273)*
Tax paid		**(169,303)**	*(2,396)*
Net cash from operating activities		**1,504,401**	*275,887*
Cash flows from investing activities			
Purchase of tangible fixed assets		**(2,349,749)**	*(8,755,332)*
Sale of tangible fixed assets		**9,369**	*263,623*
Net cash from investing activities		**(2,340,380)**	*(8,491,709)*
Cash flows from financing activities			
Loan repayments in year		-	*(475,178)*
Amount withdrawn by directors		-	*(635,000)*
Share issue		-	*8,683,500*
Net cash from financing activities		-	*7,573,322*
Decrease in cash and cash equivalents		**(835,979)**	*(642,500)*
Cash and cash equivalents at beginning of year	2	**(3,290,403)**	*(2,647,903)*
Cash and cash equivalents at end of year	2	**(4,126,382)**	*(3,290,403)*

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2018

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Year Ended 31/12/18 £	*Period 1/11/16 to 31/12/17 £*
Profit before taxation	**2,123,663**	*427,784*
Depreciation charges	**1,440,728**	*1,746,555*
Loss on disposal of fixed assets	**12,315**	*204,343*
Finance costs	**78,474**	*113,452*
	3,655,180	*2,492,134*
Increase in stocks	**(1,730,489)**	*(490,410)*
Increase in trade and other debtors	**(1,892,444)**	*(1,680,351)*
Increase in trade and other creditors	**1,719,931**	*343,183*
Cash generated from operations	**1,752,178**	*664,556*

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st December 2018

	31/12/18 £	**1/1/18 £**
Cash and cash equivalents	**837,299**	**858,462**
Bank overdrafts	**(4,963,681)**	**(4,148,865)**
	(4,126,382)	**(3,290,403)**

Period ended 31st December 2017

	31/12/17 £	1/11/16 £
Cash and cash equivalents	*858,462*	*1,089,462*
Bank overdrafts	*(4,148,865)*	*(3,737,365)*
	(3,290,403)	*(2,647,903)*

The notes form part of these financial statements

1. STATUTORY INFORMATION

Richardson Milling (UK) Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover
Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax. It is recognised when the goods are dispatched for delivery.

Tangible fixed assets
Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historic cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replacement part is derecognised. Repairs and maintenance are charged to the profit or loss during the period in which they are incurred.

Depreciation is provided at the following rates in order to write off each asset over its estimated useful life:

Freehold land	- nil
Freehold buildings	- 2% and 7% straight line
Leasehold buildings and improvements	- 2% straight line
Plant and machinery	- 7%, 10% and 33.3% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 33.3% straight line
Assets in the course of construction	No depreciation is provided until the asset is brought into use

Stocks
Groats are valued according to the percentage yield which is obtained from the cereal. Finished goods are valued at the cost price of grain plus costs to process. Where processing costs cannot be readily identified they are valued at selling price less the expected profit per ton and the cost of the packaging material used. All other stocks are valued at the lower of cost and net realisable value.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

continued...

2. **ACCOUNTING POLICIES - continued**

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development
Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments
Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of the leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments
Financial instruments held as hedges are matched with their underlying hedge item. Each instrument's gain or loss is brought into the profit and loss account, and its fair value into the balance sheet, at the same time and in the same place as is the matched underlying asset, liability, income or cost. For commodity instruments, this will be in the operating profit matched against the relevant purchase or sale. The profit or loss on an instrument may be deferred if the hedged transaction is expected to take place or would normally be accounted for in the future.

The costs incurred in obtaining the financial instruments are expensed to the profit and loss account when they arise.

Grain price provisions
Due to the variation in grain prices throughout a harvest, the company has adopted a policy of averaging the cost of grain to match against sales. As the company's period end is not co-terminus with the harvest there is a balance on the provision account which is included within creditors.

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2. ACCOUNTING POLICIES - continued

Significant judgements and estimates
In preparing these financial statements, the directors have made the following critical judgements:

- Determine whether leases entered into as a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Key sources of estimation uncertainty include:

- Tangible fixed assets, which are depreciated over their useful lives, taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	Year Ended 31/12/18 £	*Period 1/11/16 to 31/12/17 £*
United Kingdom	**39,452,286**	*44,583,929*
Europe	**2,743,727**	*1,637,411*
Middle East	**756,892**	*896,107*
Africa	**6,137,554**	*5,320,755*
Asia	**570,636**	*1,416,739*
Canada	**25,200**	-
	49,686,295	*53,854,941*

4. EMPLOYEES AND DIRECTORS

	Year Ended 31/12/18 £	*Period 1/11/16 to 31/12/17 £*
Wages and salaries	**5,765,914**	*6,782,999*
Social security costs	**587,378**	*730,811*
Other pension costs	**325,952**	*253,136*
	6,679,244	*7,766,946*

continued...

4. **EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	Year Ended 31/12/18	Period 1/11/16 to 31/12/17
Management	**5**	*9*
Administration, accounts and sales	**17**	*15*
Production	**137**	*120*
	159	*144*

	Year Ended 31/12/18	Period 1/11/16 to 31/12/17
	£	*£*
Directors' remuneration	**315,770**	*999,931*
Directors' pension contributions to money purchase schemes	**18,616**	*45,129*

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	**1**	*3*

Information regarding the highest paid director is as follows:

	Year Ended 31/12/18	Period 1/11/16 to 31/12/17
	£	*£*
Emoluments etc	**315,770**	*536,022*
Pension contributions to money purchase schemes	**18,616**	*12,145*

5. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	Year Ended 31/12/18	Period 1/11/16 to 31/12/17
	£	*£*
Hire of plant and machinery	**5,165**	*3,880*
Depreciation - owned assets	**1,440,728**	*1,746,555*
Loss on disposal of fixed assets	**12,315**	*204,343*
Auditors' remuneration	**26,500**	*24,100*
Auditors' remuneration for non audit work	**5,515**	*3,935*
Net (gains)/losses on foreign currencies	**(21,378)**	*62,839*
Operating leases	**359,121**	*343,600*

continued...

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 31/12/18 £	Period 1/11/16 to 31/12/17 £
Bank interest	**78,474**	*113,452*

7. TAXATION

Analysis of the tax charge/(credit)
The tax charge/(credit) on the profit for the year was as follows:

	Year Ended 31/12/18 £	Period 1/11/16 to 31/12/17 £
Current tax:		
UK corporation tax	**457,929**	*119,758*
(Over) / under provided in earlier years	**(100,455)**	*-*
Total current tax	**357,474**	*119,758*
Deferred tax:		
Accelerated capital allowances	**(18,240)**	*(133,039)*
Change of tax rate	**-**	*(146,641)*
Available trading losses	**-**	*65,709*
Total deferred tax	**(18,240)**	*(213,971)*
Tax on profit	**339,234**	*(94,213)*

Reconciliation of total tax charge/(credit) included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31/12/18 £	Period 1/11/16 to 31/12/17 £
Profit before tax	**2,123,663**	*427,784*
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.265%)	**403,496**	*82,413*
Effects of:		
Expenses not deductible for tax purposes	**6,885**	*6,629*
Depreciation in excess of capital allowances	**51,074**	*173,929*
Utilisation of tax losses	**-**	*(162,860)*
Other short term timing differences	**(3,526)**	*19,647*
Over provision in previous years	**(100,455)**	*-*
Deferred taxation movements	**(18,240)**	*(213,971)*
Total tax charge/(credit)	**339,234**	*(94,213)*

continued...

8. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant and machinery £
COST			
At 1st January 2018	**8,797,446**	**1,505,054**	**20,957,995**
Disposals	-	-	**(58,816)**
Reclassification/transfer	-	-	**1,194,746**
At 31st December 2018	**8,797,446**	**1,505,054**	**22,093,925**
DEPRECIATION			
At 1st January 2018	**798,206**	**658,775**	**13,845,196**
Charge for year	**144,726**	**20,241**	**1,235,281**
Eliminated on disposal	-	-	**(37,132)**
At 31st December 2018	**942,932**	**679,016**	**15,043,345**
NET BOOK VALUE			
At 31st December 2018	**7,854,514**	**826,038**	**7,050,580**
At 31st December 2017	*7,999,240*	*846,279*	*7,112,799*

	Fixtures and fittings £	Motor vehicles £	Assets under construction £	Totals £
COST				
At 1st January 2018	**491,544**	**139,356**	**527,009**	**32,418,404**
Additions	-	-	**2,349,749**	**2,349,749**
Disposals	-	-	-	**(58,816)**
Reclassification/transfer	**35,800**	-	**(1,230,546)**	-
At 31st December 2018	**527,344**	**139,356**	**1,646,212**	**34,709,337**
DEPRECIATION				
At 1st January 2018	**441,449**	**139,356**	-	**15,882,982**
Charge for year	**40,480**	-	-	**1,440,728**
Eliminated on disposal	-	-	-	**(37,132)**
At 31st December 2018	**481,929**	**139,356**	-	**17,286,578**
NET BOOK VALUE				
At 31st December 2018	**45,415**	-	**1,646,212**	**17,422,759**
At 31st December 2017	*50,095*	-	*527,009*	*16,535,422*

9. STOCKS

	2018 £	*2017 £*
Raw materials	**1,663,333**	*1,086,288*
Finished goods	**1,693,430**	*539,986*
	3,356,763	*1,626,274*

continued...

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	9,166,117	7,503,801
Other debtors	272,030	1,096
Futures trading account	318,691	85,525
VAT	666,033	971,821
Prepayments and accrued income	266,977	235,161
	10,689,848	8,797,404

Included within trade debtors is £9,166,116 (2017: £7,570,025) of debts secured to provide overdraft facilities.

During the normal course of business, the company enters into wheat futures and foreign exchange contracts to stabilise the production costs of raw materials and value of overseas sales. The carrying value represents available cash held on account by the hedging agent £318,691 (2017: £85,525). No provision for unrealised losses at the year end has been made (2017: nil). Unrealised losses of £18,790 have been carried forward (2017: £25.545 gains).

The open market value of the hedge positions maintained at the year end was £264,676 (2017: £80,035) with unrealised profits and losses at the year end being matched to related purchases and sales in accordance with the accounting policy.

In addition:

	2018	2017
	£	£
Aggregate losses / (gains) recognised in the year	584,219	64,862

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans and overdrafts (see note 12)	4,963,681	4,148,865
Trade creditors	5,151,002	3,359,582
Amounts owed to group undertakings	-	15,928
Tax	307,929	119,758
Social security and other taxes	177,311	201,026
Other creditors	123,715	180,469
Accruals and deferred income	2,670,532	2,645,624
	13,394,170	10,671,252

12. LOANS

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	4,963,681	4,148,865

continued...

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	*2017*
	£	*£*
Within one year	**328,406**	*321,439*
Between one and five years	**453,676**	*385,740*
	782,082	*707,179*

14. SECURED DEBTS

The following secured debts are included within creditors:

	2018	*2017*
	£	*£*
Bank overdrafts	**4,963,681**	*4,148,865*

The bank overdraft and loans are secured by a mortgage debenture in respect of all company assets and a first legal charge over all land and buildings. In addition, one of the overdraft facilities is secured on trade debtors as stated within note 10.

15. PROVISIONS FOR LIABILITIES

	2018	*2017*
	£	*£*
Deferred tax		
Accelerated capital allowances	**745,391**	763,631

	Deferred tax
	£
Balance at 1st January 2018	**763,631**
Accelerated capital allowances	**(18,240)**
Balance at 31st December 2018	**745,391**

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**2018**	*2017*
			£	*£*
50	Ordinary 1p	1p	**1**	*1*
8,684,414	Ordinary £1	£1	**8,684,414**	*8,684,414*
			8,684,415	*8,684,415*

All shares rank equally and carry equal rights with regard to voting and distributions, whether dividend or capital.

continued...

17. RESERVES

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1st January 2018	**6,295,779**	**1,401,799**	**686**	**7,698,264**
Profit for the year	**1,784,429**	**-**	**-**	**1,784,429**
At 31st December 2018	**8,080,208**	**1,401,799**	**686**	**9,482,693**

18. PENSION COMMITMENTS

The company operates a defined contribution pension scheme and contributes to a number of personal pension plans. The charge for the year is shown in note 4. The amount of contributions outstanding at the year end was £32,249 (2017: £30,375).

19. CAPITAL COMMITMENTS

	2018 £	*2017* £
Contracted but not provided for in the financial statements	**516,586**	*628,538*

20. RELATED PARTY DISCLOSURES

During the year the company entered into transactions, in the ordinary course of business, with entities which have significant influence over the company. Transactions entered into and balances outstanding at the year end are as follows:

£ £	2018	2017
Management and consultancy fees	-	37,000
Rent	-	218,750
Purchase of computer equipment	-	15,298
Purchase of freehold property	-	7,540,000
Amounts owed to related parties	-	15,928

The company has taken advantage of the exemption for disclosing related party transactions between group members as it is a wholly owned subsidiary.

Key management personnel include all directors and a number of senior managers who together have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £1,140,108 (2017: £1,919,440).

21. ULTIMATE CONTROLLING PARTY

The controlling party is Richardson International Limited. The company's registered address is 2800-1 Lombard Place, Winnipeg, Manitoba, R3B 0X8, Canada.

The ultimate controlling party is James Richardson & Sons Limited, a company incorporated in Canada.

Neither the immediate parent not ultimate holding companies' financial statements are publicly available.